

**REPORT TO ALBERTANS**  
**APPROVAL OF SERVICE AGREEMENTS BETWEEN ALBERTA HEALTH SERVICES AND THE**  
**OPERATORS OF NON-HOSPITAL SURGICAL FACILITIES AND FACILITY DESIGNATIONS UNDER THE**  
***HEALTH CARE PROTECTION ACT***

**Purpose:** This document is intended to inform Albertans of approved agreements between Alberta Health Services and the operators of non-hospital surgical facilities and the designation of non-hospital surgical facilities under the *Health Care Protection Act* during the period **October 1, 2010 to March 31, 2011**.

**Region:** Alberta Health Services (AHS) – Calgary and Edmonton

**Insured Surgical Service:**  
Ophthalmology – Calgary and Edmonton  
Pregnancy Termination – Calgary

**Background:**

The *Health Care Protection Act* (HCPA) came into effect September 2000. The purpose of the HCPA is to protect Alberta's publicly funded health care system while providing for the outsourcing of some insured surgical services to designated non-hospital surgical facilities (NHSFs). HCPA explicitly prohibits the operation of privately owned hospitals, queue jumping and extra billing for insured services.

**Proposal Assessment Summary:**

- AHS enters into agreements with operators of NHSFs to provide insured surgical services to Albertans.
- Proposals from AHS are reviewed in the context of whether there is a public benefit from the agreement for the publicly funded health system.
- When the Minister approves agreements between AHS and the operator of an NHSF, many factors are taken into consideration.
- Factors include:
  - Maintenance or increase of public access to the services.
  - Quality of services provided in the NHSF is equal to or better than the same services performed in a hospital setting.
  - Flexibility in accommodating patients (provides increased choice of service providers for patients).
  - Efficient use of existing surgical capacity.
  - Consideration of cost effectiveness and other economic considerations.
- The funding method used by AHS is based on the cost of services provided to publicly funded patients. In determining funding, a comparison is done between the cost within a hospital setting and within a non-hospital surgical facility. By providing specialized services, many NHSFs are able to maintain significantly lower overhead costs than those of a hospital. Previously, there were instances where the cost of the surgical service was higher in an NHSF than the same procedure in a hospital. In these cases the public benefit of increasing surgical capacity and patient access was considered to determine whether it outweighed the increased cost.
- The proposals submitted by AHS:
  - meet legislated requirements;
  - help alleviate operating room capacity pressures;
  - result in increased access to services and reduced wait lists and wait times; and
  - provide increased choice of service provider for patients.
- AHS pays a “facility fee” to the operators of NHSFs. This fee covers such costs as office space, staff salaries and benefits, supplies, utilities, debt servicing and other overhead costs.
- The physicians who provide the insured surgical services are paid on a fee-for-service basis through the Alberta Health Care Insurance Plan. These fees are the same regardless of where services are performed.
- The NHSFs providing insured surgical services are accredited by the College of Physicians and Surgeons of Alberta as required under the HCPA.

A summary of the agreements approved during the period October 1, 2010 to March 31, 2011 follows:

Operator	Designated facility Name/ Location	Service Agreement Term	Value/Year 2010-2011	Value/Year 2011-2012	Value/Year 2012-2013
<b>OPHTHALMOLOGY - INCREASED ALLOCATION DUE TO INCREASED RESOURCES (SURGICAL BLITZ FOR CATARACTS): 3 MONTH TERM</b>					
Holy Cross Surgical Services (a partnership of Peter T. Huang Professional Corporation and Ian T. Huang Professional Corporation)	Holy Cross Surgical Services – Calgary	January 10 – March 31, 2011	\$102,000	N/A	N/A
I Care Services Ltd.	Gimbel Eye Centre – Calgary	January 10 – March 31, 2011	\$255,000	N/A	N/A
Rocky Mountain Surgery Centre Inc.	Rocky Mountain Surgery Centre – Calgary	January 10 – March 31, 2011	\$51,000	N/A	N/A
SAEC Surgical Ltd.	Southern Alberta Eye Center Surgical Ltd. – Calgary	January 10 – March 31, 2011	\$204,000	N/A	N/A
Surgical Centres Inc.	Facility #1: Riverview Surgical Centre – Calgary Facility #2: Surgical Centres Inc. – Rockyview – Calgary	January 10 – March 31, 2011	\$280,500	N/A	N/A
David B. Climenhaga Professional Corporation	David B. Climenhaga PC SurgSte. – Edmonton	January 10– March 31, 2011	\$63,750	N/A	N/A
Eye Q Premium Laser Ltd.	Eye Q Premium Laser – Edmonton	January 10 – March 31, 2011	\$127,500	N/A	N/A
Alberta Surgical Centre Inc.	Alberta Surgical Centre – Edmonton	January 10 – March 31, 2011	\$61,200	N/A	N/A
Gimbel Eye Surgical Centre – Edmonton Inc.	Gimbel Eye Centre – Edmonton	January 10 – March 31, 2011	\$142,800	N/A	N/A
Family Vision Care Ltd.	VisionMed – Edmonton	January 10– March 31, 2011	\$331,500	N/A	N/A
<b>TOTAL</b>			<b>\$1,619,250</b>		
<b>PREGNANCY TERMINATION - AMENDMENT TO EXISTING 2008-2013 AGREEMENT (FACILITY FEE ADJUSTMENT AND AN INCREASE TO THE MAXIMUM CONTRACT AMOUNT)*:</b>					
492246 Alberta Ltd.	Kensington Clinic – Calgary	April 1, 2008 – March 31, 2013	\$2,120,765 (allows for a 4% increase)	\$2,187,030 (allows for fee adjustments and/or volume increases)	\$2,220,365 (allows for fee adjustments and/or volume increases)
<b>TOTAL</b>			<b>\$2,120,765</b>	<b>\$2,187,030</b>	<b>\$2,220,365</b>

\* There was no change to the Kensington Clinic agreement for the 2008/2009 fiscal year (\$1,798,915) or the 2009/2010 fiscal year (\$1,809,000).

*Marcia Nelson  
 Deputy Minister  
 Alberta Health and Wellness*